

FUNDING ACTION TEAM MEETING

Notes

September 21, 2007

Attending: Brian Blaesing, Mark Bouvy (for Ed Timpf), Andre Clover, Myron Frierson, Aarne Frobom, Tim Hoeffner, Phil Kazmierski, Keith Ledbetter, Chris Mann, John Niemela and Sandy Simpson.

Chair Theresa Petko was unable to attend. Brian Blaesing and Christopher Mann co-chaired the meeting with Brian opening discussion.

DriveMI

Keith Ledbetter gave legislative update and circulated materials provided to the Governor, legislators, and media. MITA continues to work with the legislature regarding the gas tax issue. MITA is holding a press conference during the week of September 24 regarding road construction and the Michigan Transportation Fund as it relates to Michigan's economy.

Director Steudle Presents to U.S. Senate

Tim Hoeffner referred to Director Steudle's presentation before the Environmental and Public Works Committee of the U.S. Senate on September 20 regarding conditions of bridges in Michigan. Tim offered to provide Director Steudle's presentation to Keith.

SEMCOG Report

Chris Mann stated that legislators representing southeast Michigan have been invited to attend the SEMCOG board meeting scheduled on October 12, 2007.

Chris recommended topics for future discussion, i.e., performing research with others states and the items bulleted on the agenda.

US-DOT Federal Aviation Administration

The US-DOT FAA air traffic legislation "NextGen Financing Reform Act of 2007 (Reauthorization)" was passed by the U.S. House of Representatives, per Tim Hoeffner.

Road Commission for Oakland County Report

Brian Blaesing distributed the brochure "Facing the Music: Report of Strategic 2007 Planning Process" (state of the state for roads). The brochure was also delivered to the legislature and all elected officials in Oakland County. Positive input has been received.

Brian provided updates on the Master Thoroughfare Plan. The RCOC is drafting a White Paper funding document in regard to providing authority for local governments to perform self-management of taxation for roadways.

The Regional Committee on Businesses for Better Roads concept was reviewed by the Detroit Regional Chamber of Commerce (Chamber). The Chamber requested this committee be expanded beyond Oakland County to give the concept a more regional approach. Nine Michigan counties (Oakland, Macomb, Washtenaw, Livingston, St. Clair, Monroe, Genesee, Kent, and Kalamazoo) have signed on to the self-help/community-based concept. The economic forecast of Fulton and Grimes for southeast Michigan was utilized to reveal the importance of better roadways to assist in improving Michigan's economy.

The White Paper is intended to:

- Clarify to the legislature further detail for each tax increase;
- Ascertain the approval process, e.g., constitutional amendment;
- Explain why the DriveMI campaign is not adequate to do the entire job and provide detail of the means for maintaining up-to-date roads.

The concept, if endorsed, will be presented to various legislators for bi-partisan sponsorship. The language would include a sunset provision of 10 years. Myron Frierson recommended that the language also include the authority to issue long-term funding for bonds. Tim Hoeffner suggested using gap analysis information from the websites of MDOT and RCOC and linking to the White Paper. Tim will perform the research and contact Brian.

State Budget

Discussion ensued regarding the \$30 billion shortfall in MDOT's funding, the collapsed bridge in Minnesota, and the importance of obtaining appropriate funding to keep Michigan's roadways and bridges upgraded. Members stated concern about associated costs and the consequences of no funding available to maintain bridges.

Mark Bouvy provided an update on MDOT's budget. The House of Representatives passed the Fiscal Year 2008 budget and it is expected the Senate will use this budget bill as their template.

Fuel tax evasion was discussed and the cost passed on to the retailers from the distributor. Team further discussed the Secretary of State's statewide efforts to switch out the new license plates (elimination of the blue license plates) and that insurance coverage is another means to enforce the purchase of the new license plates. There is a decrease in fuel tax and fees from license plates.

Myron stated for the record that he supports the budget recommendations.

Member Reports

Phil Kazmierski discussed a November 6 ballot proposal in Meridian Township asking the citizens for a tax increase for local roads (asset management system). If passed, this proposal will allow the taxpayers to decide their road maintenance needs.

Discussion continued regarding township management of road issues and the authority to solicit voters for millage increase(s). John Niemela referenced the process for millages in Allegan County which varies from township to township. Allegan County has several long-standing millages, which may be renewed depending on the project and the number of mills to complete the job. Chris pointed out that well maintained roads are an investment to both the general public and businesses in the transportation industry relative to repair, gas mileage, etc.

Commodity issues were discussed as well as the federal law mandating the display of gasoline prices with the gas tax included and why the tax is not included in other merchandise, e.g., a gallon of milk, The US-DOT is evaluating mandating that the price of gas be advertised.

Closing Discussion/Plan for Next Meeting

The meeting concluded with discussion on Senator Gilbert's initiative for a research committee. The Senate passed this bill creating two committees: Tourism and Advisory. Funding Action Team members will continue to obtain updates from these committees.